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May 2, 2013

The Honorable State Representative Peter Lund, Committee Chair  
Michigan House of Representatives Insurance Committee  
374 Capitol Building  
Lansing, MI 48909

RE: Insurance Rates

Chairman Lund and Members of the House Insurance Committee:

I want to thank you for taking a vested interest in lowering auto insurance rates for Michiganders. While I respect your desire to make auto insurance more affordable, I disagree with the approach that is being taken.

As the House Insurance Committee continues to take testimony on HB 4612, I would like to draw your attention to some information on auto insurance rate increases that I have been tracking over the past two years.

**Michigan Auto Insurance Rate Increases<sup>i</sup>**

Date	Above/Below National Average
August 31, 2011 (13 days before HB 4936 is introduced)	11% below
September 1, 2011	19% above
September 7, 2011	20% above
November 4, 2011	26% above
December 5, 2011	33% above
January 16, 2012	34% above
April 12, 2012	36% above
June 3, 2012	33% above
October 1, 2012 - Present	Insufficient data reported to compare to national average

As the chart above shows, Michigan was actually below the national average just days before HB 4936 was introduced. In one day, Michigan jumped 30%, ending up at 19% above the national average. This increase would continue each month as hearings and discussion on No-Fault took place. Interestingly, insufficient data has been reported since early October of 2012 to the present, making further tracking of such data impossible.

While the data I have compiled is just from one source of many that track these statistics, it does show a significant problem that continues to highlight the importance of the transparency needed for accurate reform discussions.

Real cost saving reform can happen, but HB 4612 is not the answer. I urge you to insist that the insurance industry and the medical/rehabilitation community are given the opportunity to come to the table and discuss this issue. It is only then real and meaningful reforms can take place that will result in cost savings while maintaining the very foundation of reasonable and necessary care for reasonable and customary charges that Michigan's Auto No-Fault was built on.

Please don't vote on only a hope of long term rate reductions when you can vote on the proven success that is Michigan's Auto No Fault System. Vote No on HB 4612.

<sup>i</sup> All information taken from a study of national averages conducted and reported by [www.carinsurance.com](http://www.carinsurance.com)